

Board Assurance Framework (BAF) - Year end 2020-21			
<b>Meeting</b>	Board of Directors		
<b>Date</b>	14/04/2021	<b>Agenda item</b>	10
<b>Lead Director</b>	Alison Hughes, Director of Corporate Affairs		
<b>Author(s)</b>	Karen Lees Head of Corporate Governance		
<b>Action required</b> (please tick the appropriate box)			
<b>To Approve</b> <input checked="" type="checkbox"/>	<b>To Discuss</b> <input type="checkbox"/>	<b>To Assure</b> <input checked="" type="checkbox"/>	
<b>Purpose</b>			
<p>The purpose of this paper is</p> <ul style="list-style-type: none"> <li>to provide the Board of Directors with assurance on the ongoing use of the Board Assurance Framework for 2020-21 and the governance arrangements in place.</li> <li>to provide assurance on the actions the Trust will take to address the recommendations for improvement from the recent MIAA Assurance Framework Review (as reported to the Audit Committee in March 2021),</li> <li>to approve the year end position for the BAF for 2020-21,</li> <li>and to approve the plans for the development of the BAF for the new financial year 2021-22</li> </ul>			
<b>Executive Summary</b>			
<p>The Board has in place a full Board Assurance Framework that includes 13 principal risks which are aligned to the priorities outlined in the NHS Phase 3 response to COVID-19 requirements.</p> <p>The principal risks are underpinned with detailed controls and assurance. These risks are tracked through the Board Assurance Framework (BAF) for the financial year 2020-21 and beyond (if necessary).</p> <p>The year-end position of the BAF for 2020-21 is included in the paper and this includes a proposed reduction to the risk ratings for ID04, ID05, ID06 and ID08.</p> <p>The plans for the development of the BAF for 2021-22 are also outlined for Board approval.</p> <p>The risk ratings at the end of March 2021 including the proposed reductions to the risks noted above are:</p> <p>The highest current risk rating is ID02 rated 16</p> <p>Five risks currently have a risk rating of 12, these are ID01, ID03, ID06, ID11, and ID13</p> <p>Two risks currently have a risk rating of 9, ID09 and ID10</p> <p>Three risks currently have a risk rating of 8, ID05, ID08 and ID12</p> <p>Two risks currently have a risk rating of 4, ID04 and ID07</p>			
<b>Risks and opportunities:</b>			
<p>The BAF records the principal risks that could impact on the Trust's ability in achieving its strategic objectives. Therefore, failure to correctly develop and maintain the BAF could lead to the Trust not being able to achieve its strategic objectives or its statutory obligations.</p> <p>There are opportunities through the effective development and use of the BAF, to enhance the delivery of the Trust's strategic objectives and effectively mitigate the impact of the principal risks contained within the BAF.</p>			
<b>Quality/inclusion considerations:</b>			
<p>Quality Impact Assessment completed and attached No</p> <p>Equality Impact Assessment completed and attached No</p>			

The quality impact assessments and equality impact assessments are undertaken through the work streams that underpin the BAF		
<b>Financial/resource implications:</b> Any financial or resources implications are detailed in the BAF for each risk		
<b>Trust Strategic Objectives</b> <i>Please select the top three Trust Strategic Objectives that this report relates to, from the drop down boxes below.</i>		
Our Populations - outstanding, safe care every time	Our People - enhancing staff development	Our Performance - increase efficiency of all services
<b>Board of Directors is asked to consider the following action</b>		
The Board of Directors is asked to be <ul style="list-style-type: none"> <li>assured of the on-going use of the Board Assurance Framework and the governance arrangements in place,</li> <li>assured of the actions the Trust will take to address the recommendations for improvement from the recent MIAA Assurance Framework Review</li> <li>approve the proposed amendments to the risk ratings for principal risks ID04, ID05, ID06 and ID08.</li> <li>approve the year end position for the BAF for 2020-21,</li> <li>approve the plans for the development of the BAF for the new financial year 2021-22.</li> </ul>		
<b>Report history</b>		
<b>Submitted to</b>	<b>Date</b>	<b>Brief summary of outcome</b>
Board of Directors	06/05/2020	A verbal update on the management of risk during the Trust's response to COVID-19 was provided.
Board of Directors	10/06/2020	The Board received the year-end position for the BAF, and an update on the development of the BAF for the current year.
Board of Directors	05/08/2020	The Board received an update regarding the development of the Board Assurance Framework for 2020-21, for assurance and discussion.
Board of Directors	07/10/2020	The Board approved the principal risks as aligned to the priorities cited in the NHS Phase 3 response to COVID-19 letter.
Board of Directors	02/12/2020	The Board approved the fully populated Board Assurance Framework, including the proposed slightly amended two principal risks
Board of Directors	03/02/2021	The Board of Directors was assured of the ongoing use of the Board Assurance Framework, and approved the proposed amendments to the principle risks ID04, ID07 and ID08

## **Board Assurance Framework (BAF) year-end position and reporting**

### **Board Assurance Framework 2020-21**

1. The Board has in place a full Board Assurance Framework that includes 13 principal risks which are aligned to the priorities outlined in the NHS Phase 3 response to COVID-19 requirements guidance.
2. The principal risks are underpinned with detailed controls and assurance. These risks have been tracked through the Board Assurance Framework (BAF) for the financial year 2020-21 and will be tracked beyond as necessary.

### **Development and use of the Board Assurance Framework during 2020-21**

3. At the end of 2019-20, as part of an Informal Board session, jointly facilitated by the Director of Corporate Affairs and the Chair of the Quality & Safety Committee the Board of Directors agreed to introduce a new structure for the BAF. This was agreed as an enhancement and on the basis that whilst the previous format included lists of controls and assurances, there was an appetite to develop a more outcome focused structure providing more clarity on the outcomes to be achieved to support a reduction in risk rating.
4. Following the Informal Board session work began on the new structure for the BAF with significant engagement between the Head of Corporate Governance and Executive Leads to consider the principal risks for 2020-21 and the associated systems and processes in place.
5. In July 2020 and following the publication of the NHS Phase 3 response letter the agreed principal risks were considered in the new structure of the BAF. The priority was given to the risk ratings (current and target), the risk appetite associated with each risk and the structures and processes in place.
6. It was agreed that the current target outcomes and external/independent assurance would be addressed subsequently, however as a consequence of on-going pressures due to the Trust's response to COVID-19 this work had not been fully concluded at the time of the MIAA review, but has been completed for the meeting of the Board in April 2021.
7. The Trust like many others across the NHS is on a journey with the development of outcomes for the BAF. The Trust's BAF for 2020-21 was closely aligned to the NHS Phase 3 response letter and the accompanying implementation guidance, and as such some of the outcomes in the BAF are better defined as outputs rather than outcomes. Nevertheless, these outputs are helping to determine if the Trust has met the requirements of the Phase 3 letter and inform the review of the risk ratings. As the Trust continues to develop the BAF in 2021-22 the outputs will be replaced by outcome measures, as the development journey continues.
8. Whilst the structure of the BAF remains in development, there is clarity on the position of each of the principal risks. As the current principal risks are so closely aligned with the requirements and priorities of the NHS Phase 3 letter, the action to be taken to mitigate or close each risk is intrinsic in the reset and recovery plans for the Trust

(which are monitored through the Executive Leadership Team and reported to the Non-Executive Director assurance meeting bi-weekly).

9. The BAF has remained visible throughout the financial year, and has been included on the agenda at each of the public Board meetings, and a summary is provided below:

<b>Board meeting</b>	<b>Board Assurance Framework agenda item</b>
<b>May 2020</b>	A verbal update on the management of risk during the Trust's response to COVID-19 was provided.
<b>June 2020</b>	The Board received the year-end position for the BAF 2019-20, and an update on the development of the BAF for the current financial year
<b>August 2020</b>	The Board received an update regarding the development of the BAF for 2020-21.
<b>October 2020</b>	The Board approved the principal risks as aligned to the priorities cited in the NHS Phase 3 response to COVID-19 letter
<b>December 2020</b>	The Board approved the fully populated BAF including the amends to two principal risks.
<b>February 2021</b>	The Board received a report by exception including some proposed amends to risk ratings and risk description.

10. The timing to introduce a new structure to the BAF for 2020-21 was ambitious given the prolonged NHS response to the COVID-19 pandemic; but the oversight of principal risks has remained robust.

#### **Oversight of the Board Assurance Framework by the Audit Committee**

11. The Audit Committee considered the BAF at each of its meetings in April, September and December 2020. It was not included in the meeting in June or August as these were focused on year-end sign off with external auditors (NB: the August meeting was an additional meeting following an extension to submission deadlines).
12. The COVID-19 pandemic has had an enormous impact on the risk landscape for NHS organisations, and has provided a difficult challenge for organisations to balance managing pre-existing strategic risks and new risks emerging or changing as a result of the pandemic.
13. This has been in the context of a national Level 4 emergency command position during May - August 2020 and November - December 2020 and a national Level 5 emergency command position from January - March 2021. During this time the Trust has also been operating under emergency governance arrangements, which were tested by Mersey Internal Audit Agency in September 2020 with a substantial assurance level confirmed.

#### **Board Assurance Framework review by Mersey Internal Audit Agency**

14. In March 2021 Mersey Internal Audit Agency completed the annual Assurance Framework Review to provide evidence to support the development of the Annual Governance Statement, and the Board's conclusions on the effectiveness of their internal control systems.

15. The scope of the review encompassed:

- The structure of the BAF meets the NHS requirements;
- There has been Board engagement in the review and use of the BAF throughout the financial year; and
- The quality of the content of the BAF demonstrates clear connectivity with the Board agenda and external environment.

16. The audit opinion provided a range of assurances and noted the development of the BAF and that it was clearly visible and used by the organisation. The BAF clearly reflects the risks discussed by the Board and risks were reviewed and changed in year to reflect the position and support the effective management of risks. The audit opinion was:

<b>Audit Opinion on the Board Assurance Framework</b>	
<b>Structure</b>	The organisation's BAF requires improvement to meet the NHS requirements
<b>Engagement</b>	The BAF is visibly used by the organisation
<b>Quality and Alignment</b>	The BAF clearly reflects the risks discussed by the Board

17. The audit identified some areas where further development would strengthen the BAF, and the recommendations and the actions planned by the Trust to address these are as follows:

<b>Recommendation</b>	<b>Trust action</b>	<b>Timescale</b>
More explicitly record the gaps in assurance, and note if no gaps have been identified for a risk	A note of no gaps identified will be added to the BAF for the April Board meeting.	April
	The structure of the BAF will be reviewed by the Board in May & June for 2021-22 and a proposal for more explicit gaps will be included in the review	June
Include in the BAF, actions to address each of the identified gaps in control - action plan, responsible officers and due dates for each action	The actions to address gaps in control will be included in the BAF for the April Board meeting	April
The AF will be presented to the Audit Committee at every meeting and as extant governance arrangements are re-established during Q1 2021-22 the relevant principal risks will be discussed at the relevant Committee's by the appropriate Executive Lead.	The Audit Committee will continue to receive an update on the BAF at each meeting.	Ongoing
	The Trust is reviewing the emergency governance arrangements in place and the transition arrangements to resume key governance groups during Q1 2021-22.	June

**Year end position for the Board Assurance Framework 2020-21**

18. At appendix 1 the BAF summary table provides the reviewed status of the principal risks for consideration by the Board.
19. Of the 13 principal risks there remains **one** high-level risk at Risk Rating 16. This is;

<p><b>ID02</b> - Inability to measure equity of access, experience and outcomes for all groups in our community <i>(Chief Nurse)</i></p>	<p><b>Current position;</b></p> <p>The risk continues to be monitored in line with service restart plans which are monitored through the Trust's Tactical Command Group, reported to the Executive Leadership Team and shared (bi-weekly) at the NED assurance meeting. The mitigations and controls remain under constant review and in practical terms, any changes to service delivery are subject to appropriate impact assessments and effective communication with service users and the Primary Care community (via the CCG) is maintained.</p>
--	--

20. During the reporting period, the target risk rating has been achieved for four of the 13 principal risks, these are ID04, ID05, ID08 and ID12 (see table below).
21. The full BAF is attached separately to the papers due to size. It includes the refreshed target outcomes/outputs and external/independent assurance, together with the actions in response to the recent MIAA Assurance Framework Review.
22. The level of risk has been reviewed and updated where necessary and this forms the year-end position for the BAF for 2020-21 for approval by the Board. The Board is asked to consider a reduced risk rating for five risks shown below, with key proposed revisions highlighted in red text.

	Principal risk	Risk Rating (CxL)	Proposed revision - March 2021
04	<p>Low uptake of COVID-19 vaccination programme</p> <p><i>(The staff flu programme achieved vaccination of &gt;95% of eligible staff, therefore this has been removed from the risk)</i></p>	4 x 2 = 8	<p><b>Reduce likelihood from 2 to 1, i.e. 4 x 1 = 4, to achieve target risk score.</b></p> <p>The proposed reduction in the risk rating is based on;</p> <ul style="list-style-type: none"> <li>• To date 1719 (87%) staff have received the first dose of the vaccine and invitations to receive the vaccine have now been sent to ALL staff, including students, contractors, bank and agency staff. 819 (48%) have received their second dose.</li> <li>• Take up by division as well as by high risk group is monitored to identify if targeted action required.</li> </ul>
05	<p>Failure to restore community services in line with the NHS Third</p>	4 x 3 = 12	<p><b>Reduce likelihood from 3 to 2, i.e. 4 x 2 = 8 to achieve target risk score.</b></p>

	Phase response including crisis responsiveness and discharge to assess processes		<p>The proposed reduction in the risk rating is based on;</p> <ul style="list-style-type: none"> <li>• Robust governance arrangements remain in place for the restoration of services. The project group reports weekly to Tactical Command Group with regular updates to the Executive Leadership Team.</li> <li>• Fewer services were also required to partially reduce their service during the last wave of the pandemic.</li> </ul> <p>In addition, key outputs have been achieved including:</p> <ul style="list-style-type: none"> <li>• Enhanced support provided to care homes, including programme of structured medication reviews</li> <li>• Enhanced crisis responsiveness in place</li> <li>• Safe home visits for vulnerable/shielding patients who need them</li> <li>• Community Intermediate Care Centre (CICC) opened</li> <li>• PHE guidance on defining and managing communicable disease outbreaks followed</li> <li>• PHE infection prevention and control guidance is followed</li> <li>• Discharge to assess processes have been fully embedded</li> </ul>
06	Failure to restore NHS services inclusively to protect the most vulnerable	4 x 4 = 16	<p style="color: red;">Reduce likelihood from 4 to 3, i.e. 4 x 3 = 12.</p> <p>The proposed reduction in the risk rating is based on;</p> <ul style="list-style-type: none"> <li>• Extensive work delivered as part of the restore and reset work programme, including: <ul style="list-style-type: none"> <li>– Chief Nurse as Executive Lead for tackling inequalities</li> <li>– The workforce has good health and wellbeing, and can work flexibly</li> <li>– Inclusive enhanced prevention programmes in the community e.g. vaccination, long term conditions, LD health checks</li> <li>– Trust involvement in system inequalities group</li> </ul> </li> <li>• Other pieces of work remain on track including: <ul style="list-style-type: none"> <li>– Services restored inclusively, particularly supporting those from the most deprived communities and those with protected</li> </ul> </li> </ul>

			<p>characteristics, particularly BAME</p> <ul style="list-style-type: none"> <li>– Collaboration against COVID in 2020 used to plan how to reduce health inequalities in 2021/22</li> </ul>
08	Inability to safely meet the requirements of the NHS Third Phase response due to lack of availability of staff and reduced staff motivation (due to on-going COVID-19 pressures)	4 x 3 = 12	<p><b>Reduce likelihood from 3 to 2, i.e. 4 x 2 = 8 to achieve target risk score.</b></p> <p>The proposed reduction in the risk rating is based on;</p> <ul style="list-style-type: none"> <li>• Staff have largely returned to services following reassignment, shielding has ended, and the Trust continues to see low levels of sickness, both normal and COVID related.</li> <li>• Further extensive work has been delivered including: <ul style="list-style-type: none"> <li>– COVID-19 risk assessments completed for staff and subsequent action taken</li> <li>– Regular routine COVID testing of asymptomatic all staff</li> <li>– Staff can work safely and effectively at home in line with operational requirements and individual risk assessments</li> <li>– The risks to mental and physical health of staff is addressed in line with published guidance</li> <li>– Staff who are off sick are supported through recovery and return</li> </ul> </li> </ul>
12	A loss of funding and increased cost have a detrimental effect on the financial sustainability of the Trust post COVID-19	4 x 3 = 12	<p><b>Reduce likelihood from 3 to 2, i.e. 4 x 2 = 8 to achieve target risk score.</b></p> <p>The proposed reduction in the risk rating is based on the Trust remaining on track to achieve a breakeven position at year end.</p>

23. The Trust has robust risk management processes in place and following discussion at the Audit Committee in March 2021, all current high-level organisational risks (i.e. RR15 and above) have been cross referenced with the relevant principal risks on the BAF to determine any impact. There are 3 high-level organisational risks currently being managed across the Trust; all are well managed with weekly oversight by the Tactical Command Group, the Executive Leadership Team and via the NED assurance meeting.
24. Following a review, it is proposed that the three high-level organisational risks do not have a material impact on the principal risks contained in the BAF.



### **Development of the Board Assurance Framework for 2020-21 and 2021-22**

25. The Board is asked to approve the plans set out below for the development of the BAF for the new financial year 2021-22. The plans include a development session at the Informal Board in May; when the Board will consider the format of the BAF for the new financial year 2021-22, with a continued emphasis on the development of outcomes for the principal risks. This review will include the renewed commitment to the in-year evolution of principal risks as the reset and recovery of the NHS continues, and consideration of:
- the ongoing relevance of the principal risks in the BAF for 2020-21 (which align to the NHS Phase 3 letter) in the new financial year,
  - NHS priorities for the new financial year as set out in the Operational Plan 2021-22
  - developments that could impact on the achievement of the Trust's strategic objectives e.g. the learning and actions arising from the recent staff survey, and;
  - the Trust priorities for the year.
26. Following the discussion at the Informal Board, the draft BAF will be considered at the June public Board meeting.

### **Board of Directors Action**

27. The Board of Directors is asked to:
- be assured of the on-going use of the Board Assurance Framework and the governance arrangements in place,
  - be assured of the actions the Trust will take to address the recommendations for improvement from the recent MIAA Assurance Framework Review,
  - approve the year end position for the BAF for 2020-21, and
  - approve the plans for the development of the BAF for the new financial year 2021-22

**Alison Hughes**  
**Director of Corporate Affairs**

Karen Lees  
Head of Corporate Governance

08 April 2021



## Appendix 1

### Board Assurance Framework 2020-21

#### Top Risks - as at March 2021

Risk ID	Executive Owner	Principal risk	C X L		Rating
ID02	Chief Nurse	Inability to measure equity of access, experience and outcomes for all groups in our community	4	4	16

The risk ratings at the end of March 2021 including the proposed reductions to the risks ID04, ID05, ID06 and ID08 are:

The highest current risk rating is ID02 rated 16 and shown above.

Five risks currently have a risk rating of 12 - ID01, ID03, ID06, ID11, and ID13

Two risks currently have a risk rating of 9 - ID09 and ID10

Three risks currently have a risk rating of 8 - ID05, ID08 and ID12

Two risks currently have a risk rating of 4 - ID04 and ID07

## Board Assurance Framework 2020-21

The Board Assurance Framework (BAF) focus only on the key strategic risks and for 2020-21 have also been purposefully aligned to the priorities of the NHS Phase 3 response to COVID-19. The current risk ratings are as at March 2021, and **proposed changes are shown in red.**

### Summary Table

Risk ID	Executive Owner	Principal Risk	Current Rating (CXL) Consequence x Likelihood = Rating			Target Rating (CXL) Consequence x Likelihood = Rating			Oversight via...
			C	L	Rating	C	L	Rating	
ID01	Chief Nurse	Delivery of sub-optimal quality services negatively affecting citizens health and wellbeing	4	3	12	4	1	4	Quality & Safety Committee
ID02	Chief Nurse	Inability to measure equity of access, experience and outcomes for all groups in our community	4	4	16	4	3	12	Quality & Safety Committee
ID03	Chief Nurse	Non-compliance with statutory, regulatory and professional standards	4	3	12	4	1	4	Quality & Safety Committee
ID04	Chief Nurse	Low uptake of covid-19 vaccination programme (The staff flu programme achieved vaccination of >95% of eligible staff, therefore this has been removed from the risk)	4	2 1	8 4	4	1	4	Quality & Safety Committee
ID05	Chief Operating Officer	Failure to restore community services in line with the NHS Third Phase response including crisis responsiveness and discharge to assess processes	4	3 2	12 8	4	2	8	Quality & Safety Committee
ID06	Chief Nurse	Failure to restore NHS services inclusively to protect the most vulnerable	4	4 3	16 12	4	2	8	Quality & Safety Committee
ID07	Chief Nurse	Failure to deliver to the expansion of NHS111 First by agreed local timeframes	4	1	4	4	1	4	Quality & Safety

									Committee
ID08	Director of HR & OD	Inability to safely meet the requirements of the NHS Third Phase response due to lack of availability of staff and reduced staff motivation (due to on-going COVID-19 pressures)	4	<del>3</del> 2	<del>12</del> 8	4	2	8	NED assurance meeting
ID09	Director of HR & OD	Failure to fully implement the requirements of the NHS People Plan to include an effective system approach to workforce planning and transformation	3	3	9	3	2	6	NED assurance meeting
ID10	Director of HR & OD	Failure to effectively deliver on the Trust's Inclusion intentions (and those set out in the NHS Third Phase response) through lack of representation in the workforce of all communities we serve	3	3	9	3	2	6	NED assurance meeting
ID11	Chief Strategy Officer	Failure to establish and effectively manage the right partnerships to support the development of the regional Integrated Care System and Wirral's local Integrated Care Partnership	4	3	12	4	2	8	NED assurance meeting
ID12	Chief Finance Officer	A loss of funding and increased cost have a detrimental effect on the financial sustainability of the Trust post COVID-19	4	<del>3</del> 2	<del>12</del> 8	4	2	8	NED assurance meeting
ID13	Chief Strategy Officer	Failure to maintain effective cyber defences affects Trust reputation and causes IG breaches	4	3	12	4	2	8	Audit Committee NED assurance

### Risk summary grid

Risk score  
as at March  
2021\*

5  
Almost certain  
  
4  
Likely  
  
3  
Possible  
  
2  
Unlikely  
  
1  
Rare

Likelihood


1 2 3 4 5  
Insignificant Minor Moderate Major Catastrophic

Consequence